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UNITED STATES GRAND JURY  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-v-

PHILLIP KENNER

ORIGINAL



August 2009  
Special

UNITED STATES COURTHOUSE  
500 Pearl Street  
New York, New York 10007

March 29, 2011  
12:33 a.m.

APPEARANCES:

ARLO DEVLIN-BROWN, ESQ.

Assistant United States Attorney

Rivka Teich, R.P.R., C.S.R.  
Acting Grand Jury Reporter



FINK & CARNEY  
REPORTING AND VIDEO SERVICES  
39 West 37th Street, 6th Floor, New York, N.Y. 10018 (212) 869-1500

T. Stevenson 03/29/11

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(Colloquy Precedes.)

(Witness Enters Room.)

(Time Noted: 12:57 p.m.)

THE FOREPERSON: I remind you, you are still  
under oath.

BY MR. DEVLIN-BROWN:

Q The Hawaii project is called Little Isle IV; is  
that right?

A If that's the name they use, I just call it  
Hawaii.

Q When you put up the \$100,000 for Hawaii, did  
you have any understanding of whether the money could be  
used to pay for the Mexico project or was it just  
supposed to go to the Hawaii project?

A In the beginning it was supposed to go to  
Hawaii. Then I saw they needed, the group of us got  
together, we have this piece of land that's available  
for purchase in Mexico that we need too wait on or get  
funds on to transfer as a group like one big blanket to  
get money into Cabo and pay for that land to hold it  
until the loan came.

Q So are you saying you agreed to transfer some  
of the money from the Hawaii project to the Cabo  
project?

A I would say that, yes.

1 T. Stevenson 03/29/11

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2 Q Who made that decision?

After Kenner conference  
calls in 2004...

3 A I think all of us as a group.

4 Q What do you mean "as a group", who is the  
5 group?

6 A All the guys who were invested in it.

7 Q All the guys who were invested through  
8 Mr. Kenner, his clients?

9 A If all of them, yeah, and other guys that were  
10 invested in this; Mr. Jowdy I'm not sure.

11 Q Let me show you what's been marked 110A.  
12 Before I do, do you remember getting reports or anything  
13 from Mr. Kenner about the status of Little Isle IV the  
14 Hawaii project?

15 A No.

16 Q Take a look at this and see if you remember  
17 ever getting anything like this.

18 (Witness reviewing document.)

19 A I think I remember seeing that.

20 Q How do you remember getting it?

21 A Through a fax maybe. Seeing these actual  
22 numbers that looks familiar to me.

23 Q Okay. Is he still your financial adviser?

24 A He is.

25 Q Roughly how much money is he managing for you?

26 A Probably five, 600,000.